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ABSTRACT

Issues concerning institutional accreditation, quality, and eligibility are considered, and some alternative plans are examined. One of the functions of accreditation is to determine which institutions are eligible to receive federal funds. It is suggested that neither the accreditation process nor the eligibility process confronts the issue of quality directly. The suggestion that the current voluntary accreditation system is not capable of identifying or ameliorating potential abuses leads to the conclusion that a new mechanism must be developed to protect the institution from unnecessary intrusion while it protects the state's interest in quality. The following alternative plans are considered: the Second Newman Report on national policy and higher education (1974), Harold Orlan's suggestion for accreditation, strengthening the present triad, massive disclosures, and a new federal-state partnership. It is concluded that a state academic review program can be most effective by fostering, encouraging, and nurturing a variety of self-policing arrangements within and among institutions. The agency would define standards, but direct state intervention would be the exception. Appended materials include criteria for recognition of national accrediting bodies and state agencies and categories and examples of potentially abusive institutional policies and practices included in institutional self-study forms. A bibliography is included. (SW)

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ISSUES IN ACCREDITATION, ELIGIBILITY AND INSTITUTIONAL QUALITY

Discussion Paper

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Rough estimates provided by the Council on Postsecondary Accreditation suggest that:

There are approximately 3200 degree-granting institutions with a primarily educational purpose that are either regionally accredited or candidates for accreditation in some manner (three-letter rule, satisfactory assurance criterion, interim approval or Mondale rule). Beyond this group, there are approximately 100 institutions of similar type that are neither regionally accredited or in any way candidates for accreditation. These 100 institutions are fairly evenly divided between two and four year colleges. As far as can be determined there are no universities in this category. The non-accredited institutions are primarily either new community colleges or a small number of small private church-affiliated colleges.

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I. THE CONTEXT FOR THE ISSUES OF ACCREDITATION AND QUALITY

The unfavorable demographic and economic prospects for higher education during the next decade have been reviewed for the Commission by Deitch and Kaysen. They, among others, note that while contraction has already arrived, it is not evenly distributed by region, sector or student characteristics.

Clearly we have entered a period of excess capacity. For fifteen years, between 1950 and 1965, almost 400,000 additional new students enrolled annually in some form of higher education. The rate of entry over the next decade will decline steadily as the number of 18 year-olds in the population peaks during the present year at about 4.29 million and reaches a low of 3.17 million in 1992. For the traditional college attending age cohort a similar decline in number is inevitable. The number of men and women in the population of the United States between the ages of 18 and 24 will peak in 1981 at about 29.51 million. It will decline until 1996 when the number will be about 22.86 million. These data represent declines of about 25% in the traditional college attending populations.

To add to the gloomy picture, it is apparent that opting to attend college (the participation rate) is declining among the traditional age cohort, especially among white males from wealthier families. Whether the increasing rates of participation on the part of women and minorities will offset the decline in male rates is problematic at best. Furthermore, although there has been an increase in the proportion of persons enrolled in colleges and universities over the age of 25 in recent years, this phenomenon apparently levelled off after 1975 as the peak year for the enrollment of veterans passed. While increasing numbers of persons have been attending institutions of higher education on a

part-time basis, it is unlikely that their numbers will increase sufficiently to reverse the decline in enrollments.

There is therefore capacity in higher education in excess of the demand for its services. This condition inevitably affects the finances of the enterprise, both public and private, state and federal. To some extent each sector depends on the student for revenue: for tuition in the private sector or subvention by the state in the public sector.

The competition for students will be fierce. In many parts of the country it is already baneful. The temptation in both the public and private sectors of higher education to "hustle" for students will be enormous.

Although FTC authority is limited to proprietary schools that are engaged in or that affect interstate business, the Commission relays complaints against non-profit schools to State or Federal agencies. A recent report issued on the FTC Trade Regulation rule hearings contained the following statement on public and private institutions:

> Symptomatic of the increased competition is the tendency of the public institutions to hustle students. * * * we now have * * * a dog-eat-dog situation. There has always been competition for top athletes at the best schools, but now it is simply a matter of keeping the classes filled and surviving. Thus, colleges may now be found to have mobile recruitment vans at shopping centers; their unsolicited mailing programs have become enormous; and their radio, television, newspaper, billboard, and bus sign advertisements are proliferating."

Already "off-campus," "branch-campus" and "out-of-state campus" activities have proliferated, created some scandals and caused a "back-lash" in the states invaded. Stephen K. Bailey's devastating indictment of the wretched programs offered by higher education institutions on military bases located hundreds of miles from their home campuses is a harrowing review of one aspect of this practice. A thorough, though anecdotal, account of the practices of reputable institutions of higher education operating out-of-state may be found in the New York Times of January 7, 1979. The

article tells of 22 out-of-state schools operating programs at 39 Florida sites. In Maryland, 15 of the 30 out-of-state colleges and universities closed their operations rather than meet regulations established to monitor them. The indiscriminate admission of foreign students is merely one of a number of attempts, often ill-considered at least, to attract students in order to maintain enrollments and financing.

In the face of such competition can public and private institutions of higher education maintain their integrity? Given the emphasis on variety, diversity and pluralism, can American colleges and universities maintain the quality of the education offered within the missions and goals they define for themselves?

Institutions are not easily able to reduce their size; an institution that grew by 50% in the period of expansion cannot simply shrink by 33% and remain in business. Therefore it is under pressure to maintain its size even though the pool of candidates is shrinking.

One obvious way to maintain size is to admit more marginal students. About a year ago three colleges in CUNY publicly announced that they would be lowering their expectations regarding the qualifications of entering students. Apparently, a number of private colleges have also taken steps in this direction, and more will do so. In both sectors there is a strong incentive to maintain enrollments. In ideal circumstances well-intentioned institutions would not seek to enroll unqualified students. But these are not ideal circumstances, and the baser elements of salesmanship tend in many cases to compromise an institution's integrity in this regard. It is hard to say whether things will be worse in the public or in the private sector. The major invitation to marginal practices in the private sector is that the existence of the institution is at stake in a more direct sense

than is true for a public college or university. Moreover, it is harder to "sell" students if they believe they will probably have to pay more in the private than in the public sector, whether or not this is actually so. Therefore, because the prospective students assume that a private education is expensive, the sales gimmicks necessary to keep enrollments steady can be rather extreme.

The public sector will also be under pressure -- perhaps somewhat different -- to sell. After all, the typical pattern is that, while no student pays a lot, the institution loses a lot should a prospective student fail to enroll: the tuition the student would have paid plus the state's subvention which is routinely allocated on a per student basis.

A special threat to quality in the public sector is the fact that institutions may be rather indifferent about retention. Unemployment for the young is high and, in some sense, students can get paid to go to college. Therefore, finding new students -- in a setting of low charges -- may be easier than doing what is necessary to retain those already enrolled. Obviously, with such incentives, there is a problem of quality, since one index of quality is the proportion of students who, having begun a program, carry it through to completion.

This is the setting in which the issue of quality arises. From a public policy perspective, however, one must worry more about quality at the margin in the public sector in this sense: there is an obvious mechanism whereby low-quality privates fail but there is no corresponding mechanism for the publics.

Integrity and quality have traditionally been measured in higher education by the private voluntary accrediting agencies and commissions. Two types of accrediting associations deal with higher education. These

are the regional institutional accrediting bodies and the national professional or specialized accrediting agencies and associations. The former concern themselves with the college or university as a whole while the latter are concerned with professional schools and programs within colleges and universities.

It is the pride of the Office of Education that the system for determining eligibility is federal in nature and often called the elgibility triad. First, institutions must seek and states must grant a state charter which establishes the institution's corporate existence; in addition, a license may be required to operate an educational institution. Such a license may specify minimum standards, regulate the term used to describe the institutions, such as "college," and may authorize the granting of degrees. Accrediting agencies, regional or specialized, evaluate these institutions according to some standards. The federal government then recognizes these accrediting agencies, the members of which consequently become "eligible." However, many contend the the federal government depends too greatly on private accreditation and exceeds its authority to delegate responsibility.

II. THE FAILURE OF ACCREDITATION AND THE CRITERIA FOR A MECHANISM TO ACHIEVE QUALITY CONTROL

As a mechanism for the assurance of quality, the private voluntary accreditation agencies are a failure. The regionals fail to draw the line between reputable and marginal institutions. They are especially unwilling to acknowledge and make known the abuses (described below) which have arisen as a consequence of excess capacity. Moreover, as the frontispiece of this paper asserts, virtually all of traditional higher education is already accredited. There are virtually no colleges and universities which are not accredited. Yet the quality of these institutions varies considerably, and at the margin some number of them, private and public, are poor.

A large and complicated machinery has evolved since before the turn of the century, first to define standards for admission to liberal arts colleges and universities, then to "accredit" private and public institutions of higher education and, finally, to determine which institutions are "eligible" to receive, by direct or indirect means, federal funds. Neither the accreditation process nor the eligibility process confronts the issue of quality directly or forthrightly.

Students of the accreditation and eligibility process agree as to the weaknesses which preclude its use as a determinant of the quality of the education provided by a college or university. In summary, these are, in part:

1. The Public Interest. It is at least questionable that accrediting associations, supported financially by their members and dependent upon the voluntary participation of faculty and others, consider the interests of students or government as superior to the interests of the institution. Evaluations are sent to the President of a college or university who is under

no obligation to distribute it widely. If accreditation reviews were undertaken in the public interest or to inform the educational consumer then evaluations would be broadly disseminated. However, wide knowledge of a negative evaluation would undoubtedly damage or even destroy an institution of higher education.

2. Lack of Enforcement. It is contrary to the ethos of accrediting agencies to perceive of themselves as policing or enforcing their recommendations, reviews or evaluations. Here too disclosure would be a breach of confidence even if in the public interest.

3. Long Intervals. Because evaluations are expensive they are frequently held at intervals of ten years. Much can happen at a college or university during such a long period -- good and bad.

4. Branches and Satellites. Accredited colleges have increasingly opened branch or satellite campuses in states other than the one in which they are accredited. Accreditation accompanies the out-of-state campus automatically. Practices in the branch campus may be very different from those at the parent institution. Some institutions maintain tight control; others may be extraordinarily lax and operate through contractors who hire faculty, recruit students for a bounty and offer courses of which they are unauthorized by license.

In 1976, the Council on Postsecondary Accreditation said "there is increasing evidence that at least a handful of colleges and universities apparently have established off-campus degree programs not equivalent academically to the home campus... and that there is a need for direct and immediate action." Three years later the efforts of the regional accrediting associations to create machinery to deal with this problem is still "under development."

5. State of the Art of Evaluation. Our knowledge of methods and measures of institutional and program evaluation is inadequate. While accreditation is supposed to be a reliable guide, the process of evaluation is not reliable. Compounding this problem is the pride in the United States in the pluralism, diversity and variety of higher education. How then can standards be developed which will take into account the reasonable differences in methods, manners, goals and objectives of different styles of liberal arts colleges when these different styles are deliberately intended?

It is difficult to assess "the quality of individual programs and the regionals' refusal to do so -- render it [accreditation] an unreliable indicator of the quality of the education a student will receive in a given program especially at marginal institutions. As George Arnstein writes, accrediting agencies 'are...NOT reliable authority (as just about any informed person will admit sotto voce) but in the absence of an effective alternative, the fiction of reliability continues.'"

Most experts fear that an eligibility system based upon voluntary accreditation offers the greatest potential for abuse of integrity and quality during a period of excess capacity. After all, as has already been pointed out, institutions may act in their own self-interest and attempt to sustain and expand enrollments, and the financial support it brings, at a time of severe financial difficulty. T. Edward Hollander, Chancellor, New Jersey Department of Higher Education, has outlined a number of actual or potential abuses he feels the current system of voluntary accreditation has not adequately "policed." In State Postsecondary Education: Institutional Authorization and Oversight, Hollander lists a number of serious abuses to be expected including:

1. The encouragement of enrollments in programs of study for which job market opportunities are limited...

2. The recruitment of students through the use of degree program options that sound romantic, but offer few opportunities for application.

3. The offering of programs of study that are shoddy because the potential student enrollment is insufficient to justify adequate facilities and faculty.

4. The overaward of credit in order to attract students or to qualify students for full-time status...

5. The recognition of life experience or credit by examination that is unwarranted...

6. The reduction of standards of performance in order to retain tuition-paying students...

7. The admission of students who are unprepared for college... without providing adequate counseling or remedial programs...

8. The award of credits for non-collegiate preparatory work...

9. The failure to provide adequate information to students and prospective students...

The current voluntary accreditation system is not capable of identifying or ameliorating these potential abuses: a new mechanism must be developed which protects the institution from unnecessary intrusion while it protects the state's interest in quality.

As one might suspect, this is a most difficult task. Institutions prefer to put their best foot forward. Undoubtedly some institutions have failed in the by-no-means easy task of fully and fairly informing applicants of the opportunities open to them on enrollment. No one else is, in general, charged with this responsibility. In order to prevent these problems, an accrediting agency would have to make judgments concerning the quality of a school's programs; the voluntary associations have failed to do so, and now the responsibility rests with government.

Some new mechanisms to replace the existing one may be briefly described.

The thought of a National accrediting agency, especially one determined to define and enforce standards of quality is repugnant to virtually all states, persons, interests, associations and institutions concerned with higher education. None of the several recommendations for a National agency to determine "eligibility" has ever been received favorably,

Federally or state mandated full disclosure by institutions of higher education is another alternative not infrequently found in the literature. It has the advantage of self-regulation but, without considerable oversight, the potential for abuse. As a consequence of studies undertaken for OE by Steven M. Jung and his associates, techniques are being developed in this area which may make disclosure more meaningful, less complicated and less costly. While the techniques for disclosure may be improving both in form and subject matter to be disclosed, means will always have to be at hand to distinguish the unethical from the incompetent.

Since 80% of the students of higher education are enrolled in the public sector, the oversight of and maintenance of quality in higher education is not unreasonably a state responsibility. A number of states already undertake periodic academic reviews of existing institutional programs and practices.

Within state government, the responsibility for academic review focusing on the maintenance of quality would be appropriately lodged in the State Higher Education Coordinating Boards or Governing Boards. Among the characteristics of the process of academic review by a state agency would be:

1. To disengage higher education from the vocational and proprietary sectors for the purposes of oversight of quality.
2. To make academic review a periodic process occurring every five years or responsive to some "triggering" device.
3. To include both private and public institutions of higher education. (The state's power to license private colleges and universities may be sufficient to bring the private sector into the system.)
4. To review the undergraduate as well as graduate level programs, especially in the traditional arts and sciences.
5. To prefer "peer review" by outsiders notwithstanding different academic traditions and politics within each state.
6. To disclose the results of the review process sufficiently widely to assure that if changes are recommended they are brought about.

III. ACCREDITATION AND ELIGIBILITY: A BRIEF LOOK AT THE ISSUES

As part of the Veterans' Readjustment Assistance Act of 1952 (the Korean War G.I. Bill) the U.S. Commissioner of Education was required "to publish a list of nationally recognized accrediting agencies and associations which he determines to be reliable authority as to the quality of training offered by an educational institution." The purpose of this published list was to establish, indirectly as it so happened, that certain colleges, universities, programs, schools, etc. accredited by these bodies were in some way distinguished from others not accredited, at which, therefore, federal funds might be spent with some sense of responsibility. The purpose of this legislation was to set into place a method of avoiding the abuses of the original G.I. Bill of 1944.

There were, of course, criteria promulgated to determine recognition of the agencies. Originally twenty-eight agencies were on the Commissioner's list. Since 1952 twenty-three additional federal programs have been enacted which rely upon the Commissioner's list. The criteria regulations were revised in 1969 and 1974 and at the present time are being revised again.

The Commissioner's list has grown to encompass 74 agencies in fields as varied as bible colleges, law, medicine and cosmetology. There are now thirteen regional accrediting commissions and 61 national specialized agencies. (Of these latter agencies over half are in the health field.)

The proliferation of accrediting agencies is not to be taken too lightly. In 1972 Orlans found that while 1,240 colleges were subject to only one regional accreditation, another 1,380 were the subject of 3,760 separate program accreditation reviews. Among universities the situation is even worse; 238 had two or more programs accredited, 114 had six or more, and 27 were subject to at least sixteen reviews by separate program accrediting bodies! For exaggeration and for effect, Orlans points out that the Regents

of New York State register about 13,000 professional and academic programs in 287 institutions of higher education. By extrapolation therefrom he projected that there would have been about 139,000 accreditable programs in the nation at slightly more than 3,000 institutions in 1976-77; a formidable prospect especially if the institution pays for the privilege.

It is important to note that veterans attending unaccredited schools may also receive benefits. In each state federal funds have been used to establish "state approving agencies" (at a cost of over $10,000,000 in 1977) which monitor courses offered primarily at vocational schools. Most state approving agencies, but not all, prefer to inspect even those proprietary schools whose specialized accrediting bodies are recognized by the Commissioner .

Curiously, in 1965 the federal government granted itself accrediting power when a provision of the Nurses Training Act empowered the Commissioner of Education to "accredit" nurses training programs. This came about as a consequence of a "bitter fight" to limit recognition of collegiate nursing programs, rather than hospital-based nursing programs, as eligible for receipt of funds under the Act. The compromise was to establish the first and only federal attempt at accreditation powers. So repulsive was this to higher education that the power was never exercised and, at the express wish of the Commissioner, it was deleted when the act came up for renewal in 1968.

According to Orlans, it was the passage of the Guaranteed Student Loan Program in the Higher Education Act of 1965 that established the "regulatory mode" of relationship between OE and the accrediting agencies. Guaranteed Student Loans were made available to students attending vocational schools. However, vocational schools had to be "eligible" and eligibility was a characteristic acquired by "accreditation by a regional agency" or by the

"direct action of an advisory committee." It was estimated that there were between 10 and 15,000 vocational schools in the country but only a tiny proportion belonged to the two then recognized accrediting agencies for proprietary or vocational schools. Faced with this dilemma an advisory committee established by OE rapidly granted temporary eligibility to schools in 19 states whose procedures for licensing and inspection were deemed acceptable.

It became clear very rapidly that accreditation led to eligibility and eligibility attracted students and dollars. In 1965, therefore, the major private vocational accrediting agency was formed, the National Association of Trade and Technical Schools. It was added to the Commissioner's list in 1967 after the mandatory two years of experience in accrediting had been achieved. Schools approved by the advisory committee were given four years to obtain accreditation in NATTS or the Cosmetology Accrediting Commission. The proliferation of accrediting agencies is not likely to decrease in rate. It is profitable for a group of institutions with mutual interests to band together and seek recognition.

Again according to Orlans, "in the vocational school area, OE, by deliberate policy and not statutory requirement, made accreditation indispensible for eligibility..." Had OE looked to the state approving agencies as established by the V.A. and not to the accreditation process to determine eligibility it is likely that most of the fraud and abuse of the Guaranteed Student Loan Program in this sector of postsecondary education would have been dramatically reduced.

A final note having to do with the vocational sector. The "Mondale amendment" contained in the Educational Amendments of 1972 permits public but not private vocational schools to achieve eligibility by approval of a state agency recognized by the Commissioner.

Institutions of higher education have other methods of obtaining eligibility status. They may submit to the Commissioner "suitable assurances" that the institution will become accredited by a regional accrediting agency within a "reasonable time." The so-called "three-letter rule" treats an institution as if accredited for eligibility purposes if letters from three accredited institutions agree to accept credits from the unaccredited institution on an equal basis as credits from some other accredited institutions. Finally, an institution of higher education may obtain eligibility by "direct determination of the advisory committee."

Traditionally a clubby, private, voluntary activity, the accreditation process "became in a few years a quasi-public agency," acting in many regards as a surrogate for federal regulation. This came about in largest measure by the acceptance of the accrediting agencies, both regional and specialized, of changes in the Criteria for Recognition of National Accrediting Bodies and State Agencies in 1974. By accepting even rather weak due process and consumer protection requirements as well as harmless requirements to provide better information about the accreditation process to the public, the accrediting agencies yielded further to federal oversight and gave up much of the autonomy which they had so long valued.

The Council on Postsecondary Accreditation has enlisted legal and political allies in attempting to stem federal regulatory activity in this area. Legal arguments by Matthew W. Finkin aver that the Commissioner has exceeded and expanded his authority beyond statutory limits. A number of state agencies would prefer to separate the accreditation process from the eligibility process. Among COPA's concerns are that OE policies create additional costs for institutions and taxpayers, foster the

proliferation of accrediting agencies and serve to enfranchise accrediting bodies.

For the past several years, OE and the Council on Postsecondary Accreditation have been engaged in an on-going battle about the private accrediting agencies' ability and responsibility to identify and ameliorate potential student consumer abuse. OE insists that these agencies have failed to protect consumers' interests because of the very nature of their current operation; the agencies, on the other hand, contend that they have long been concerned with the problems of quality assessment and financial disclosure. Since the late 1960s, OE and the agencies have conducted their dispute over the intent of the criteria for agency recognition by the Commissioner of Education in Congress, as well as in the Federal Register.

This bureaucratic controversy erupted in 1975 and 1976 in "the great probity debate." In late 1975, OE proposed in the Education Amendments of 1976 that the Commissioner of Education be required to recognize only those accrediting agencies and associations regarded as reliable authorities as to the quality of training and the ethical practices of institutions. The proposed legislation would force these agencies to judge the "ethical practices" of institutions, a responsibility they were unwilling to accept. Following this protest, the administration altered the proposed legislation by substituting the word "probity" for "ethical practices." But COPA continued to resist OE on this point, claiming it was in no position to be held accountable for any problems arising from improper conduct on the part of any of its accredited institutions. The legislation was not passed.

The argument, however, has not ended. Beginning in 1977, the government began to take independent steps to protect its own interests. The collegiate sector is now required, as a condition of eligibility, to disclose certain information about costs and enrollments to OE. In this way, OE has begun to implement its statutory authority to limit, suspend, or terminate the eligibility of institutions which "engage in substantial misrepresentation." A staff of 70 to 100 persons is being formed to deal directly with institutions; this staff is independent of the staff which determines institutional eligibility on the basis of their accreditation by OE-recognized agencies. The task of maintaining information on and annually certifying some 8,000 postsecondary institutions is enormous: is the establishment of this new staff just the tip of a new bureaucratic iceberg?

In the near future, OE plans to revise the criteria for the recognition of national accrediting bodies and state agencies. The third draft of a new set of criteria, dated January 12, 1979 (see Appendix A), have been distributed informally for comment. This draft would require the agencies to "provide assurance of institutional or program integrity." The proposed regulation also requires these agencies to "foster ethical practices." In short, the criteria may be designed to achieve, by regulation over time, the ends which Congress refused to legislate. On the one hand, OE appears to be building a staff with the potential for performing accreditation functions. At the same time, it is seeking to have promulgated a set of regulations which would resurrect the "probity debate" in another arena. Heretofore the federal government has abstained from accrediting institutions. The political clamor revolving about fraud and abuse as well as consumer protection may move the executive away from

that restraint. Or they may again attempt to compel the private accreditation bodies to adopt standards and regulations which these bodies abhor.

Because of the way these issues are addressed, it is clear that accreditation and eligibility, under the present system, are concerned more with student consumer issues than they are with quality of education issues. It is not clear that they are able to deal well with either.

IV. SOME ALTERNATIVES

For the purposes of this section, it is appropriate to review concisely the present eligibility system.

A postsecondary institution is eligible to particpate in OE programs if:

1. It is licensed by the State in which it is operating;
2. It is accredited by a nationally recognized accrediting association or agency approved by the U.S. Commissioner of Education.

Alternatively, non-profit schools may be determined eligible if they meet standards for:

1. satisfactory assurances: the school shows that it will meet accreditation standards within a reasonable time;
2. the three-letter rule: the school's credits and tranferring students are accepted at at least three accredited schools;
3. interim approval: school lacks access to a nationally recogniaed accrediting agency and is deemed eligible by OE's Division of Elibility and Agency Evaluation;
4. State approval: by means of the Mondale amendment a school may be eligible if it is a public postsecondary vocational institution approved by a State agency approved by the Commissioner for this purpose.

Except for those whose interests it is to maintain the system, there is widespread agreement that it works poorly when it works at all; that the traditions of academic freedom and institutional autonomy are called upon to prevent the review or regulation of abusive institutional activities; and that attempts to introduce and enforce standards in an increasingly egalitarian society are viewed as discriminatory, elitist and retrograde.

Furthermore, each element of the eligibility "triad" has fundamental weaknesses. The Federal government constitutionally and in the General Education Provisions Act is without authority directly to determine quality. Private voluntary agencies are unwilling and unreliable agents for enforcing specific academic standards, defining quality, and setting a line dividing the "poor" from the "unacceptable." Increasingly, they base their judgments on the institution's self-definition of its "mission" and by site visits. They feel that their primary task is to help institutions "improve" within the context of the institutions' self-defined goals. A COPA official has commented that the present system works so that "today effectively anything can be accredited and recognized and the 'quality' test in eligibility is not making useful discriminations." Finally, notwithstanding the ECS's Model State Legislation for the Approval of Postsecondary Education Institutions, etc., many states lack the resources, will and staff to perform effectively their oversight responsibilities. Three states, Missouri, Utah and Vermont have no licensing requirements whatsoever.

With this background in mind it is appropriate to look at some alternative proposals to the present system.

A. The Second Newman Report: National Policy and Higher Education (1974)

In the published version of this report it is recommended "that the process of determining eligibility for federal funds be clearly distinguished and separated from the process by which accrediting agencies judge institutional performance." The Newman Commission recommended that a national procedure based on institutional disclosure statements providing detailed information for potential students and the general public be established. In addition, it proposed that "an administrative judgment" be made that an institution has a capacity to perform its stated mission. This would leave to the accrediting agencies their traditional role of assisting institutions to improve their performance.

A draft of the report circulated in 1971 contained very explicit recommendations having to do with:

(1) national standards for institutional eligibility which "should not involve standards of educational quality" but would attest to the institution's financial responsibility and condition, recruitment and public information policies and that it provides a "program of some educational value for some clients";

(2) disclosure and consumer protection by which they proposed that all post-secondary institutions publish an annual prospectus analagous to those published by corporations under the Securities and Exchange Act. The prospectus would be expected to include such data as faculty/student ratios, costs of instruction, attrition rates, etc. and would be routinely made available to students applying for admission;

(3) new criteria for recognition of accrediting agencies were proposed by which the federal government would "recognize organizations solely on the basis of their being reliable authorities as to whether institutions merit the minimum national eligibility standards." In this regard only institutional eligibility would be recognized rather than the eligibility of programs within institutions;

(4) the creation of a national commission on institutional eligibility which would be enabled to grant eligibility directly and act upon complaints from institutions which were denied eligibility.

This draft was met with outrage by accrediting agencies, the higher education associations and institutions of higher education. They objected to the nationalization of eligibility, the separation of eligibility from accreditation and the potential for a national commission on institutional

eligibility to become a national accrediting agency. Considerable mockery was made of the suggestion that a common "Securities and Exchange" type of prospectus for the almost infinite variety of postsecondary institutions could possibly be designed. These proposals failed to move the system to any degree.

B. Orlans' Suggestions

In a study, "The Federal Regulation of Accrediting" prepared for the Sloan Commission on Government and Higher Education, Harold Orlans suggests that the system should not be changed dramatically but that it might be clarified and that at least part of the accrediting process be separated from federal regulations. He first recommends that procedures should distinguish between vocational, occupational or proprietary education and the traditional institutions of higher education. He is not sanguine that making distinctions between degree-granting and non-degree-granting institutions can or will be readily accepted in the present social and political climate. He does, however, argue that the extraordinary mix of types of institutions gathered under the rubric of postsecondary education complicates and confuses the process of accreditation and eligibility by forcing OE to apply identical rules to vastly different educational institutions. Orlans quotes Terrell Bell, ex-Commissioner of Education, as saying "...many long, well-established institutions...like Harvard, Stanford and so on are being subjected to the same rules as a small barber college...under the present statute, we can't have different sets of rules..." Orlans suggests that the disparate universe of educational intitutions should be recognized and "be accompanied by the adoption of appropriate, comparable but not identical [emphasis added]," policies to protect the public interests and funds in each major educational sector.

For example, Orlans suggests that for institutions of higher education, Title IV of the Higher Education Act as amended be redrafted so that eligibility is determined simply by accreditation by one of the regional accrediting agencies. By retaining the alternative means of achieving accreditation (the three-letter rule, satisfactory assurance and interim approval) virtually all of the degree-granting institutions of higher education and the regional accrediting agencies would be freed.

A consequence of such a reasonable action might be to induce and persuade COPA to devote its efforts to reaffirming, reestablishing and making the linkages between quality and accreditation more intellectually satisfying and realistic.

For the proprietary, vocational and non-degree granting sector, Orlans suggests that the present system of recognizing accrediting agencies might suffice. Alternatively, the state approving agencies which oversee courses eligible for veterans could be adapted for this purpose.

However, to quote Orlans again, "the regionals would be freed of governmental regulation, and one noose around the neck of higher education would be removed."

C. Strengthening the Present Triad

While the weaknesses of the present system are obvious and have been described above, a politically safer strategy than changing the system might be to strengthen it in some significant ways. Such a strategy would have the advantages of disturbing the roles of as few of the participants as possible. Its major disadvantage is that it maintains a complex and perhaps irrational regulatory system over higher education.

At the federal level, as has already been noted in this paper, the draft regulations for criteria for recognition of national accrediting bodies and state agencies contain provisions which would require accrediting bodies to provide assurance of institutional or program integrity. The accrediting body is required to show that: (1) it "fosters ethical practices within accredited institutions or programs" and (2) the institution or program assures that off-campus, including out-of-state operations or extensions, are equivalent in quality to similar programs operated at its main campus or base of operations. In other words, ethical practices would be reintroduced through regulation.

At the state level, considerable efforts have been made through the Education Commission of the States to improve state oversight in postsecondary education. Model legislation has been available for some years and in many instances has been taken advantage of. In addition, several recent studies have made a series of significant recommendations on how state licensure and authorization can be improved. Moreover, several states now have available an Institutional Self-Study Form which has been designed, developed and field-tested to detect and measure the potential within a postsecondary institution for student consumer abuse. The ISSF makes it possible for colleges and universities to disclose much of the material needed for students and parents to make reasonably intelligent decisions in choosing to apply to a postsecondary institution. This introduces into the process at least a modest measure of self-regulation. This strategy, however, maintains the role of the accrediting bodies as "policemen for the federal government."

D. Massive Disclosure

A supplement to the current system of accreditation would be an amalgam of complete deregulation and "massive disclosure." Such a solution would curtail the power of certain vested interests, such as the private accrediting agencies, the state agencies which participate in the accreditation/eligibility process, and even OE itself. Politically, it would be in tune with public opinion which is apparently anti-bureaucratic and would, it might be argued, be particularly appropriate in an era of excess capacity, in which schools would have to do a good job in order not to go out of business.

What is proposed is a system of full disclosure of information. An institution would be required to provide certain facts about its qualifications, capacities, quality, programs, etc. so that the prospective student would have both a basis for choosing and a yardstick with which to judge the school's actual performance. The comparison between promise and performance becomes a surrogate for the abstract judgment of quality; that is, by adopting this scheme, we admit that we cannot judge quality, and concentrate on making sure institutions do what they say they're going to do.

Disclosure should be an integral part of accreditation. For example, in the Summary Report on the Invitational Conference on Accreditation and the Protection of the Student as Consumer (1978) William A. Goddard summarizes the arguments in favor of student consumer protection in the accreditation process:

> Competition is keen and as enrollments continue to decline, competition will be keener. This is a healthy situation since competition can be a significant consumer device...
>
> Students as customers of educational institutions and as consumers of educational services have a right to expect [that] faculty, equipment, facilities and opportunities will meet quality standards and provide the benefits which are reasonably anticipated at the time of purchase.

> The imminent alternative to more and better consumer protection as part of the accreditation process is further governmental preemption of student consumer protection standard setting, with sanctions. Government can be expected to respond more to popular causes and political expediency...

Massive disclosure, therefore, could be seen as an alternative to government regulation

Which specific areas should be discussed in a scheme of massive disclosure? This issue raises the problems of judging quality: what is important? Attached as Appendix B is a list of "Categories and Examples of Potentially Abusive Institutional Policies and Practices..." which emerged from studies by the American Institutes for Research under contract with OE. The Task Force on Better Information for Student Choice (1977) also laid out some areas of concern (pp. 21-31), including: costs and financial aid, academic offerings and requirements, results of attendence, data on retention, etc.

How might massive disclosure work? Periodically (perhaps annually), an institution would disclose a body of required facts to the Office of Education. OE would provide consumers with the appropriate information by distributing it to all secondary schools and other central places in communities across the country. At this point, the consumer, armed with this data, takes over. He evaluates what data is there, what is not and not only makes his decision, but also <u>evaluates his choice</u>.

If the student (or his parents, for example) find there is a major discrepancy between expectations and actualities, he could pursue some sort of action against the institution. This action could be legal, through the courts. It could also be administrative, through Administrative Law Courts or through a special Federal review panel which decides upon whether or not an institution is, in fact, complying with its own standards. Or, complaints

could be handled by the appropriate state agencies. This latter option is probably most feasible, since it would allow for some decentralization and, at the same time, leave room for possible Federal leverage (by virtue of SSIGs or Campus-based student aid, which are both distributed state-by-state) to ensure that the states are carrying out their responsibility.

Accreditation by private agencies would remain a part of this system. In fact, it could conceivably be a major part of a student's decision to attend a given institution, just as it is now (since schools do exist and do enroll students prior to accreditation). Massive disclosure might also encourage accreditation agencies to take a more active role in program review and quality control.

Massive disclosure would expedite the process of determining eligibility for federal financial aid and other OE programs. Eligibility could be granted after the following:

1. an institution or program is eligible if it has been accredited by one of the private regional accrediting agencies;
2. an institution or program is eligible if it has disclosed fully according to state statute;
3. an institution or program is ineligible if, according to whatever review body is reviewing complaints against it, it is not fulfilling its promises.

Eligibility is left only in part to the market. At least one alternative to achieve eligibility is made available. The private accreditation agencies may still play a role. A system of massive disclosure would protect the student consumer without compromising institutional autonomy.

E. A New Federal - State Partnership

Within HEW one of the documents prepared in anticipation of reauthorization is a draft of a paper addressed to Educational Quality and Institutional Eligibility Determination for Federal Postsecondary Education Programs.

The paper describes the problem as one of protecting the expenditure of the taxpayers' dollars ("unless one believes keeping people 'off the streets' and out of the job market for a while is, in itself, good for society") and depending on "quality" for this protection. Yet, it is the decisive issue, "quality," that is almost intractable to define.

The assumptions underlying this proposal are:

1. That government can influence but not determine or guarantee educational program quality.
2. That the existing eligibility process misleads "the public into believing that we can reliably test for quality."
3. That leverage by the Federal and State governments can create some "standards for measurable aspects of an institution's performance."
4. That public interest and the Federal - State partnership will require that states establish at least minimum performance standards for public and private institutions which they license and charter.

The proposal recommends:

1. Authorization of a central, inter-governmental, eligibility determination unit and clearing house for information about post-secondary institutions receiving public funds.
   Institutions' eligibility could be determined on the basis of information collected here from various federal agencies and States and shared between those parties.
   Appropriate information about individual institutions would always be available to the public and periodically published.

This section is subject to the same criticisms as that directed to the Newman Report's suggestion to create a National Eligibility Commission. It does have the attraction and the intent of creating a single reporting form

to respond to all of OE's requests of an institution for data and information for any and all of OE's programs. The intent is to reduce the paper work necessary to respond to the plethora of demands for information made now and to combine federal and state requirements into a smaller but more useful package. Requests from third parties for data about an institution would be made of a data center rather than of the institution.

2. One set of realistic enforceable institutional eligibility standards for all federal programs which directly or indirectly grant funds to postsecondary institutions;

This section would be improved immensely by limiting the eligibility standards only to programs administered by the Office of Education or perhaps the Department of Health, Education, and Welfare.

3. Eliminate the present statutory eligibility requirement that institutions be accredited by an accrediting body approved by the Commissioner, and the related statutory alternatives, and stick with the sole requirement that all eligible institutions be licensed/chartered by a State agency approved by the Commissioner.

Is this not replacing one approval by the Commissioner, that of private accrediting bodies, by another approval, that of a State Licensing Agency?

4. A statutory requirement that only States with certain adequate licensing standards be approved by the Commissioner but those standards should not pretend to protect students and the public from academic abuse. ECS - Model State Legislation presents what might be appropriate, adequate standards.

The conditions of licensing and the quality of the state agencies involved vary greatly. The federal government would have to provide a set of incentives for states to encourage them to bolster the capabilities of the appropriate agencies. Even though student consumer protection may be implied in this section it merits being made explicit.

5. New legislation authorizing a State oversight development program. This program would provide seed money, technical assistance and training for improvement of State agency oversight, seed money tied to requirements for the establishment, within a specified period of time, of the minimum licensing/chartering standards.

With this section the authors intend to establish within state education agencies staffs which are capable of oversight responsibility for postsecondary education in addition to the licensing function. They presume that if eligibility is tied totally to state licensure and if that license depends on at least minimal standards of quality and institutional integrity then, within a reasonable period of adjustment, the private sector will become integrated into the system. Otherwise, the state licensing agency will be unable to vouch for the private institution. The consequence might be more than embarrassing, it may lead to the loss of eligibility!

Just what a "State oversight development program" is remains unclear. If it is a euphemism for "academic program review in higher education" it may come as close to a method of monitoring "quality" as we may be able to develop in our particular and peculiar system of higher education.

Advocates of this form of Federal - State partnership claim that these proposals would:

1. Provide the public with a realistic picture of what little the government can guarantee in terms of program quality.

2. Create a rational Federal - State accountability and oversight system for postsecondary education, one that:

    - makes the States, which are constitutionally responsible for education, more accountable for it;

    - gives the States more resources and political clout to do their job;

    - encourages the establishment within the States of credible and enforceable standards for postsecondary institutions' performance.

3. Discontinue Federal ties to accrediting bodies and the misleading public perception of those bodies as reliable judges of program quality.

4. Discourage the proliferation of new "accrediting bodies" which gain importance through their appearance on the Commissioner's "approved" list and their apparent relationship to eligibility for funds.

5. Discourage the federal government from interfering with the private accrediting bodies so they can do the job they were set up to do: encourage postsecondary institutions' self-assessment and gradual upgrading.

6. Stop forcing institutions to meet sometimes narrow accreditation standards in order to participate in federal programs.

7. Greatly reduce both the institutions' and governments' paperwork burden related to federal program eligibility determinations.

8. Most States would support this strategy, particularly if seed money were available.

9. Education community generally might accept as long as:

   - State standards did not pretend oversight of program substance and;

   - no particular governance structure were imposed on any State.

10. Would improve State oversight capacity.

Advocates also admit that this proposal has drawbacks. Among these they recognize:

1. This strategy would cost money; not much, however, if we could work into and reform Veteran's Administration State Approval system.

2. Some newer, specialized accrediting bodies would oppose because would view as undermining their credibility.

3. Some educators might oppose because they prefer distant federal bureaucrats with little authority to nearer State bureaucrats with a lot of authority.

4. It would be several years before this system would be effective.

V. CONCLUSIONS

During the past couple of decades more and more concern has been expressed about the current system of accreditation. In large part, this is simply one element of the growing direct Federal involvement with institutions of higher education.

The current systems of voluntary private accrediting bodies are not able and cannot be expected to perform the functions being asked of them by the Federal government. And, neither the Federal government nor the regional accrediting bodies are concerned with the maintenance of the quality of the institutions of higher education.

The prospect of government oversight of the academic activities of an institution is no less inviting, but state governments have the responsibility to protect the public interest in education. With proper restraint, but with a cognizance of their power to act, the state agencies represent the most sound approach to this nasty problem.

But, an agency of state government must be mindful not to cross the fine line between accountability and interference. This will require the appointment of an exceptionally sensitive staff so that the institutions will retain confidence in the agency's ability to oversee the quality of higher education without jeopardizing institutional autonomy.

It is likely that a state academic review program can be most effective by fostering, encouraging and nurturing a variety of self-policing arrangements within and among institutions. The agency will define standards, but direct state intervention should be the exception. For this reason peer review is essential whether sponsored by the agency or by the institution itself. Great sensitivity is called for. Great restraint is called for. However, academic review can only be effective if the

state agency has the power and will to act when action is appropriate.

The appropriate Federal role is to encourage, support and provide financial incentives to establish state academic review programs. The nature and extent of Federal-state interaction will be a major focus of the Higher Education Amendments of 1980 as well as of the bills to establish a Department of Education. It is likely that these issues will be raised at that time. It might be an objective of these legislative actions to make academic review mandatory in each state. The Office of Education, since it is the provider of so great a proportion of the Federal dollars going into higher education, will want to retain some significant role. It would not be surprising if OE were to begin to recognize state agencies with oversight powers. Certainly the criteria attached as Appendix A are as appropriate for such an agency as they are for a traditional accrediting body.

APPENDIX A:

Criteria for Recognition of National Accrediting Bodies and State Agencies

1/12/79

3rd DRAFT

Subpart A of Part 149 of
Title 45 of the Code of Federal
Regulations is proposed to be amended as follows:

PART 149 -- CRITERIA FOR RECOGNITION OF NATIONAL ACCREDITING BODIES AND STATE AGENCIES

Subpart A -- Criteria for Nationally Recognized Accrediting Agencies and Associations

Sec.

149.1 Scope.
149.2 Definitions.
149.3 Publication of list.
149.4 Inclusion on list.
149.5 Initial recognition; renewal of recognition.
149.6 Criteria.

AUTHORITY: (20 U.S.C. 403(b), 682(b), 381(e)(5), 1085(b) and (c), 1088(b)(3), 1141(a), 1401(11)(E), 1619(5)(E), 2461(21)); (42 U.S.C. 293a(b)(1), 294j(2), 294s(a), 295f-5(b), 295g-8(g)(2), 295h-1(b)(2), 295h-4(2)(D), 298b(f)); (8 U.S.C. 1101(a)(15)(F), 1182(j)(1)); (12 U.S.C. 1749c(b)); (15 U.S.C. 1352(c)); (38 U.S.C. 1775(a), 1652(g))

Subpart A -- Criteria for Nationally Recognized Accrediting Agencies and Associations

§149.1 Scope.

(a) The U. S. Commissioner of Education publishes a list of nationally recognized accrediting agencies and associations that the Commissioner determines to be reliable authorities as to the quality of education or training offered by the schools or programs they evaluate.

(b) The Commissioner makes this determination in accordance with the criteria set forth in this Subpart. The determination is reflected in lists published in the FEDERAL REGISTER.

(c) Accrediting agencies and associations listed by the Commissioner are relied upon by various Federal agencies for purposes of identifying educational quality and institutional integrity. (20 U.S.C. 1141(a) et al.)

§149.2 Definitions.

"Accreditation" means the process of peer review whereby an agency or association grants public recognition to a school, institute, college, university, or specialized program of study that meets certain established qualifications and educational criteria. This determination is made through initial and periodic evaluations. The essential purposes of the accreditation process are to provide a professional judgment as to the quality and integrity of educational institutions or programs and to encourage their continued improvement.

"Agency or association" means a corporation, association, or other legal entity or unit that has the principal responsibility for carrying out the accrediting function.

"Institutional accreditation" means evaluation of an entire educational institution. The essential purpose of institutional accreditation is to determine whether the institution as a whole is achieving its educational objectives satisfactorily.

"Negative accrediting action" means denial or withdrawal of accreditation or preaccreditation status.

"Negative decision," as applied to the Commissioner's review of accrediting agencies and associations, means the Commissioner's decision to (1) deny initial recognition, (2) deny extension of scope of recognition, (3) deny recognition for the award of preaccreditation status to institutions or programs, (4) withdraw recognition, (5) curtail the scope of recognition, or (6) withdraw recognition for the award of preaccreditation status.

"Preaccreditation status" means status awarded by an accrediting agency or association, after favorable review, to an educational institution or program that is working toward accreditation status.

"Regional," as applied to an accrediting agency, means the conduct of institutional accreditation in three or more States.

"Representatives of the public" means persons who are not educators and who are not currently related to the educational institutions or programs being evaluated. In addition, in the case of

specialized accreditation, such persons are neither members of the profession nor employed in the specialized field to which the program is directed.

"Specialized accreditation" means evaluation of educational programs, departments, or schools that are part of an educational institution or other type of organization. The essential purpose of specialized accreditation is to provide a judgment concerning the quality of education offered in a professional or other specialized field.

"State" means each of the 50 States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(20 U.S.C. 1141(a) et al.)

§149.3 Publication of the list.

Periodically, the Commissioner publishes in the FEDERAL REGISTER a list of the accrediting agencies and associations that the Commissioner recognizes. The list includes the general scope of operations for which each accrediting agency or association is recognized.

(20 U.S.C. 1141(a) et al.)

§149.4 Inclusion on list.

Any accrediting agency or association that desires to be listed by the Commissioner as meeting the criteria set forth in §149.6 must apply in writing to the Director, Division of Eligibility and

Agency Evaluation, Bureau of Higher and Continuing Education, Office of Education, Washington, D.C. 20202.

(20 U.S.C. 1141(a) et al.)

§149.5 Initial recognition and renewal of recognition.

(a) For initial recognition and renewal of recognition, the accrediting agency or association must furnish to the Commissioner information establishing its compliance with the criteria set forth in §149.6. The Commissioner may supplement this information with personal interviews or by review of the agency's facilities, records, personnel qualifications, and administrative management. The Commissioner reevaluates each listed agency at the Commissioner's discretion, but at least once every four years. No negative decision becomes final without the Commissioner's giving the agency or association an opportunity for a hearing.

(b) In view of the criteria set forth in §149.6, it is unlikely that more than one association or agency will qualify for recognition (1) in a defined geographical area of jurisdiction or (2) in a defined field of program specialization within secondary or post-secondary education. If two or more separate organizations in a defined geographical area or field of program specialization seek recognition, each shall demonstrate need for its activities and show that these activities do not unduly disrupt the affected institutions or programs.

(20 U.S.C. 1141(a) et al.)

§149.5 Criteria.

In order to be designated by the Commissioner of Education as nationally recognized, an agency or association shall:

(a) Define its field of operations. The agency or association:

(1) Is regional or national in its scope of accrediting operations.

(2) Clearly states in its charter, by-laws, or accrediting standards the types and levels of educational training offered by the institutions or programs it accredits.

(3) Makes publicly available a description of its organization, including governance and sources of support.

(4) Publishes periodic reports of its operations, such as newsletters, proceedings of meetings, and other informational materials.

(5) Demonstrates an identified need for its services in accrediting institutions or programs in its field of competence.

(6) Publishes at least annually a listing of the current status of each institution or program accredited or having preaccreditation status, together with the date of the most recent comprehensive examination. Indicates on that listing any changes in status of institutions or programs contained on the last published list.

(b) Demonstrate its functional capability and reliability. The agency or association:

(1) Is staffed and organized to carry out its operations in a timely and effective manner.

(2) Has not less than two years' experience as an accrediting agency or association.

(3) Defines its fiscal needs, manages its expenditures, and has adequate financial resources to carry out its operations as shown by an externally audited financial statement.

(4) Assesses fees for the evaluation process, if any, that do not exceed the reasonable cost of sustaining and improving the process.

(5) Provides evidence of acceptance throughout the United States of its policies, evaluation methods, and decisions, by educators, educational institutions, licensing bodies, practitioners, and employers.

(6) Uses competent, knowledgeable persons, qualified by appropriate experience and training to serve:

(i) on its policy and decision-making bodies;

(ii) as consultants;

(iii) on site-visiting teams.

(c) Define its evaluative role and assure fairness and due process in its accrediting procedures and criteria.

(1) Accrediting procedures. The agency or association:

(i) Requires, as an integral part of its accrediting process, an institutional or program self-analysis

and an on-site review by an evaluating visiting team or a validated equivalent of each process.

(ii) Provides for appropriate guidance to the institution or program and to the visiting team.

(iii) Assigns to each visiting team at least one person who is not a member of its policy and decision-making bodies or its administrative staff.

(iv) Furnishes to the person responsible for the institution or program to be evaluated an opportunity to comment upon the selection of an individual as a proposed evaluator.

(v) Provides for adequate discussion during an on-site evaluation team visit between the visiting team and the faculty, administrative staff, students, and other appropriate persons.

(vi) Furnishes a written report to the institution or program describing areas of strength and areas needing improvement. Suggests means of improvement in specific areas, if any, in which the institution or program may not be in compliance with the agency's criteria.

(vii) Before a decision is made on the accreditation or preaccreditation status of an institution or program, provides to the institution's chief executive officer an opportunity to comment on the visiting

team's report and to file supplemental materials pertinent to the facts and conclusions in the report.

(viii) Evaluates, if appropriate, the report of the visiting team in the presence of a member of the team, preferably the team chairman, or provides other means for securing clarifications regarding the visiting team report.

(ix) Requires that the self-study analysis of the institution or program be a qualitative assessment of its strengths and limitations.

(x) Requires the self-analysis of the institution or program to be carried out through the participation of persons broadly drawn from the institution's or program's constituencies.

(xi) Makes publicly available its written procedures for granting, denying, reaffirming, revoking, and reinstating status to institutions or programs.

(xii) Concerning any preaccreditation status it may award, provides for the application of criteria and procedures that are related in an appropriate manner to those employed for accreditation.

(xiii) Undertakes initial evaluation of institutions or programs only if the chief executive officer of the institution applies for accreditation.

(xiv) Makes publicly available its written procedures for review of complaints pertaining to institutional or program quality, as these relate to the agency's criteria.

(xv) Withdraws accreditation or preaccreditation status from an institution or program only for cause, after review and due notice, or when the institution or program refuses to permit reevaluation, or when the institution or program does not otherwise comply with reasonable membership requirements.

(xvi) Provides the chief executive officer of the institution with a statement of reasons for any negative action, including notice of the right to appeal such action.

(xvii) Makes publicly available its rules regarding appeals, which include provisions for:

(A) No change in the accreditation status of the institution or program pending disposition of an appeal;

(B) The right to a timely hearing before the appeal body;

(C) Supplying the chief executive officer of the institution with a written decision of the appeal body, including a statement of reasons for any negative action.

(xviii) Provides for the reevaluation at reasonable intervals of the institutions or programs that it has accredited.

(2) Accrediting Criteria and Processes. The agency or association:

(i) Makes publicly available the criteria and processes by which it evaluates institutions or programs.

(ii) Provides advance notice of proposed or revised criteria to all persons, institutions, and organizations participating in the accrediting process. Provides such constituencies adequate opportunity to comment on such criteria prior to their adoption.

(iii) Reviews its criteria, policies, and procedures at least every five years to ensure that the evaluative process supports constructive analysis, and emphasizes factors of critical importance to the education and training of students.

(iv) Maintains a program of evaluation of its educational criteria designed to assess their validity and reliability.

(d) Provide assurance of institutional or program integrity. The agency or association:

(1) Requires that the institution or program include in its self-analysis an assessment of the achievement of its objectives, including sufficient information to indicate that the institution or program is conducting a continual

evaluation of outcomes in relation to its educational goals.

(2) Fosters ethical practices within accredited institutions or programs.

(3) Encourages experimental and innovative programs to the extent that these are conceived and implemented in a manner that ensures the quality and integrity of the institution or program.

(4) Assesses whether or not an institution or program has sufficient fiscal strength to maintain educational quality.

(5) Assesses the institution's or program's management organization for the purpose of determining the effectiveness of management in maintaining educational quality.

(6) Requires that the institution or program assure that off-campus, including out-of-State, operations or extensions are equivalent in quality to similar programs operated at its main campus or base of operations.

(7) Reviews any contract relations of the institution or program dealing with recruitment and the delivery of educational services in terms of their impact on the quality and integrity of programs offered.

(8) Requires that any references that its accredited institutions or programs make to their accredited status clearly specify the areas and levels for which accreditation has been received.

(e) Demonstrate that its activities conform to high ethical standards and that the agency is accountable to the public.

The agency or association:

(1) Has organizational independence and autonomy suitable to enable it to develop and administer its criteria on an objective basis.

(2) Performs no function that would be inconsistent with the formation of an independent judgment of the quality of an educational program or institution.

(3) Provides in its operating structure and procedures against conflicts of interest in the rendering of its judgments and decisions.

(4) Applies its standards, policies, and procedures fairly, and conducts its evaluations and renders its decisions under conditions that assure an impartial and objective judgment.

(5) Makes publicly available the names and affiliations of members of its policy and decision-making bodies, and the name(s) of its principal administrative personnel.

(6) Takes into account in its accreditation program the rights, responsibilities, and interests of students, the general public, the academic, professional, or occupational fields involved, and institutions.

(7) Includes representatives of the public on its policy and decision-making bodies, or in an advisory or consultative

capacity that assures attention by the policy and decision-making bodies.

(8) Reflects in the composition of its policy and decision-making bodies the community of interests directly affected by the scope of its accreditation.

(9) Selects its administrative, consultative, policy-making and evaluative personnel in accordance with nondiscriminatory practices.

(10) Treats complaints pertaining to institutional or program quality in a manner that is fair and equitable to the complainant and to the institution or program.

(20 U.S.C. 1141(a) et al.)

APPENDIX B:

Categories and Examples of Potentially Abusive Institutional Policies and Practices Included in Institutional Self-Study Forms (ISSF)

A. Refund Policies and Practices
   1. Institution does not have a written refund policy for fees or charges collected or obligated in advance of enrollment or class attendance.
   2. Written refund policy is not publicly disseminated to students and prospective students.
   3. Written refund policy does not tell students how to obtain refunds.
   4. Written refund policy does not provide for at least partial return of student fees or charges based on the amount of instruction the student has had the opportunity to receive.
   5. Written refund policy does not specify the maximum time allowed between the receipt of a valid refund request and the issuance of a refund.

B. Advertising Practices
   1. Institution uses:
      (a) advertisements in "help wanted" section of newspapers, pseudo "Talent" contests;
      (b) testimonials or endorsements by actors who did not attend the institution; or
      (c) limited time "discounts," to attract enrollees.
   2. Advertising of the institution guarantees or implies that completion of an education or training program will lead to employment.
   3. Institution's advertising implies that it:
      (a) has special ties or connections with employers which it does not in fact have;
      (b) offers full or partial scholarships when in fact it offers only loans or deferred tuition;
      (c) has recognized experts on its teaching faculty who in fact have no teaching responsibilities; or
      (d) offers a "superior" educational program when in fact there is no comparative evidence to support the assertion.

C. Admission Practices
   1. Institution employs admissions representatives whose compensation or salary is dependent wholly or in part on direct commissions based on number of students enrolled.
   2. Institution does not have a written policy governing recruiting and/or admission practices.
   3. Written recruiting/admissions policy does not contain:
      (a) any prohibitions against unethical practices such as the "bait and switch" or the "negative sell";
      (b) a requirement that all prospective students talk to a representative of the institution at the school prior to enrolling; or
      (c) a requirement that all enrollees sign an agreement which describes complete costs, payment requirements, and educational services to be provided by the institution.
   4. Institution does not provide remedial instruction in basic skills for students who are admitted without meeting stated admissions requirements.

D. Instructional Staff Evaluation Policies
   1. Teaching competence is not included as one criterion in formal salary and/or tenure and/or rank review policies.
   2. Evaluations of teaching competence do not include regular, anonymous ratings by students.

E. Disclosure in Written Documents
   1. Failure to Disclose any of the following in a general catalog, bulletin, or other basic information document:
      (a) name and address of school.
      (b) date of publication of the document.
      (c) school calendar including beginning and ending dates of classes and programs, holidays, and other dates of importance.
      (d) a statement of institutional philosophy.
      (e) a brief description of the school's physical facilities.
      (f) an accurate list of all courses actually offered.
      (g) an indication of when specific required courses will *not* be offered.
      (h) educational content of each course.
      (i) number of hours of instruction in each course and length of time in hours, weeks or months normally required for its completion.
      (j) an accurate listing of faculty who currently teach.
      (k) an indication of the distinction between adjunct or part-time faculty and full-time faculty.
      (l) policies and procedures regarding acceptability of credits from other institutions.
      (m) general acceptability by other institutions of credits earned at this institution.
      (n) requirements for graduation.
      (o) statement of certificates, diplomas, or degrees awarded upon graduation.
      (p) statement of *all* charges for which a student may be held responsible.
      (q) financial aid programs actually available to students.

(r) limitations on eligibility for financial aid programs.
(s) grading system.
(t) policies relating to:
(1) tardiness
(2) absences
(3) make-up work
(4) student conduct
(5) termination
(6) re-entry after termination
(u) student fee increases in excess of $25 that are planned within the next year.
(v) for student loan applicants:
(1) the effective annual loan interest rate
(2) loan repayment obligations
(3) loan repayment procedures
(4) time allowed for repayment
(5) deferment or cancellation provisions, if any
(6) collection procedures which might be applied in the event of failure to repay

2. In the event any of the following services or facilities are provided, failure to disclose their actual availability and extent:
(a) job placement assistance or service.
(b) counseling, including for employment, academic and/or personal problems.
(c) dining facilities.
(d) housing facilities.
(e) student parking facilities.
3. In the event the institution offers an educational program which leads to the award of degrees (or which results in credits which are transferable toward the award of degrees), failure to provide accurate descriptions of:
(a) recognition by a state agency as meeting established educational standards for granting degrees, if there is such an agency;
(b) the scope and sequence of required courses or subject areas in each degree program; and
(c) policies and procedures which students must follow to transfer credits within the institution and/or to other institutions.

F. Student Orientation Procedures
1. The institution does not conduct a formal orientation program for newly enrolled students.
2. Failure to include in this orientation the following:
(a) oral presentations or written documents prepared by students who have been previously enrolled at the institution.
(b) instructions on how and where to voice student complaints and grievances.
(c) information on how and where to apply for student financial aid.

G. Job Placement Services and Follow-Through
1. In the event the institution claims to have a job placement service, this service does *not* include the following aspects:
(a) notification of fee charged, if this is the case.
(b) formal training in job-seeking and job-holding skills.
(c) contacting prospective employers to develop potential jobs.
(d) making job interview appointments for individual students, including those seeking part-time employment and recent graduates.
2. In the event the institution claims to have a job placement service, the service is confined only to such services as distributing "Help wanted" ads from newspapers or referral to a commercial placement service.
3. The institution does not regularly collect follow-up data on the employment success of former students who did not graduate, recent graduates, and/or longer term graduates.
4. Institution does not annually calculate the rates of student attrition from each identifiable program or curriculum area and does not attempt to determine the reasons for this attrition.

H. Recordkeeping Practices
1. The institution does not maintain the following items in its individual student records:
(a) total fees paid by the student.
(b) courses taken and completed.
(c) academic credits, grades earned.
(d) financial aid amounts, including loans, if any, actually received by student and date of his/her receipt.
2. Institution does not have a written policy and actual procedures for maintaining individual student access to records for a period of at least two years following his/her departure from the institution, regardless of the operating status of the institution.

I. Turnover of Instructional Staff
1. Instructional staff are repeatedly replaced, in the same sections/courses, after instruction has begun.
2. Instructional staff are replaced in two or more sections/courses after instruction has begun.

J. Representation of Chartered, Approved, or Accredited Status
1. The institution fails to disclose to students and prospective students the fact(s) of limitation(s) or sanction(s) for noncompliance with designated stan-

dards imposed by local, state, or federal *government* agencies, if any exist.

2. The public representations of the institution fail to distinguish between (e.g., list separately, with appropriate explanations) *institutional* accreditation, specialized or professional *program* accreditation, state VA-approving agency *course approval*, and state chartering and licensing, if any are present.

K. Financial Stability

1. If the institution is not publicly-supported, it does *not* have the following:
   (a) an endowment or retained earnings fund to pay current operating expenses if they are not covered by student tuition receipts.
   (b) a reserve of funds sufficient to pay out tuition refunds as students make legitimate requests for them.
2. The institution's financial records and reports are not annually subjected to a certified audit.

L. Instructional Programs in Occupational, Professional Preparation Areas

1. The institution does not maintain curriculum advisory committees which include representatives of potential employers in each occupational/professional area for which instruction is offered.
2. The institution does not provide the following, when they are required for employment of graduates in an occupational/professional area:
   (a) specialized/professional program accreditation.
   (b) training in the use of basic tools and equipment.
   (c) internships and/or supervised practice on the job.
   (d) internships and/or supervised practice in simulated job situations.
   (e) instruction on topics necessary for state or professional certification of graduates.
3. The institution does not require a biannual review of the relevance and timeliness of occupational/professional curricula.

M. Instructional equipment and Facilities in Occupational/Professional Preparation Areas

1. The institution does not maintain advisory committees on instructional equipment and facilities which include representatives of potential employers in each occupational/professional area for which instruction is offered.
2. The institution does not annually budget and expend funds for replacing worn or outdated instructional equipment in each occupational/professional area for which instruction is offered.

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